

# 2003 Annual Report

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**Printer  
Friendly  
Version**

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**CSE: Establishing Orders**

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**PTA: Development and Approval**



### Driven to Achieve Excellence

**2003** has been a year of intense effort at the Florida Department of Revenue. DOR managers and employees have worked hard to achieve our strategic priorities in all three of our major lines of business – administering state taxes, obtaining support for children, and overseeing property tax administration – as well as in our continuing drive to improve the leadership we provide to our employees.

I am pleased to report that our efforts are bearing fruit. In 2003, we made substantial progress toward our vision of becoming competitive with world-class organizations in everything we do:

- In **tax administration**, DOR began administering Florida's largest single revenue source, the sales tax, in our new SUNTAX computer system. Positioned at the cutting edge of revenue administration technology, SUNTAX is used to collect more than \$20 billion per year in Florida taxes. This new integrated system offers more and better information on tax compliance than ever before. SUNTAX and related technologies already have saved Florida taxpayers more than the projected \$40 million cost of the system, with future savings projected at \$15.5 million per year. Our goal for 2004: Expand and refine our ability to use this powerful tool to apply Florida tax law more fairly, uniformly, and efficiently.
- In **child support**, DOR set another new record for annual collections, \$964.8 million, despite little increase in caseload. Our ninth consecutive record year reflects the hard work of DOR employees and our partners – parents, employers, the courts, and local officials – on behalf of 901,000 Florida children. Meanwhile, in an extraordinary commitment to families, Governor Bush and the Florida Legislature found \$23.8 million in a difficult budget year for a new enterprise resource management computer system for child support. This system, expected to launch during Fiscal Year 2005-2006, will help DOR collect \$196 million more in child support by 2008. By 2009, DOR hopes to rank at or near the top of all U.S. child support enforcement agencies.

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*In 2003, we made substantial progress toward our vision of becoming competitive with world-class organizations in everything we do . . .*

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*Jim Zingale,  
Executive Director*

■ In **property tax oversight**, we continued to strengthen our business processes. Florida's real estate market is in the midst of an historic boom, with market values rising 11.6 percent statewide in 2002. Using advanced business process management techniques, private contract appraisers, internationally known process experts, and state-of-the-art data analysis, we have bolstered our ability to ensure that county tax rolls accurately and fairly reflect these dramatic changes in value. The payoff for taxpayers: increased confidence that property taxes are uniform and fair across and within counties.

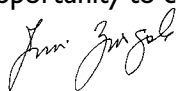
If we are truly to exemplify excellence in public service, we must work as intensively at developing our human resources as we do at developing technology and business processes. By far, our employees are the most critical key to success – and they deserve the best leadership we can give them.

To maintain and improve the capabilities of DOR leaders, we have launched a leadership strategic initiative. The initiative includes familiarizing DOR managers with how our private-sector competitors manage, helping our leaders manage by measuring performance (we believe that you only manage what you measure), and strengthening our processes for developing managers' leadership skills.

For example, 20 volunteers from among DOR's managers are being trained in performance-management techniques adapted from those used at some of America's most successful corporations. Each has been assigned a project to make our business processes more efficient and effective. Each project's results must generate enough savings to pay for the cost of that manager's training, so there is no cost to the taxpayers. But the payoff will be considerable. Each manager's additional skills and effectiveness will continue to create value for Floridians for years – and in a few months, we will begin training a second group of volunteers.

I am proud to report that these and other performance-management efforts are receiving national recognition. In early 2003, after a study involving Duke University, *Governing* magazine announced that the Florida Department of Revenue had received the highest possible rating in a national ranking of tax administration agencies. DOR was one of only six state revenue agencies – and one of only two from large states – to receive this important distinction. *Governing* praised the Department for its application of SUNTAX-related technology and it commented that DOR's tax administration "is widely admired around the country."

The year 2003 has been filled with hard work, achievement, and remarkable progress. We look forward to 2004 and the opportunity to contribute still more toward a bright future for the Sunshine State.





### Putting Top Priorities First

**A**vital part of DOR's strategic planning system is its strong emphasis on our most important priorities – our 12 Strategic Initiatives for FY 2003-2004.

As in many large organizations, DOR employees are involved in hundreds of teams, each of which was created to accomplish a worthwhile purpose. But some of those teams' work will produce bigger, more far-reaching results than others.

### Focusing on What Matters

It's the job of DOR managers to appropriately focus the work of Department employees to reach the few top-priority goals that can produce strategic breakthroughs in performance. At DOR, we call those our Strategic Initiatives.

Top Department managers meet annually to set DOR's Strategic Initiatives for the coming year. Most Strategic Initiatives are two- to three-year projects involving complex business process reengineering efforts. They are guided by reengineering methodologies borrowed from the best quality-management experts in the U.S. and beyond. Strategic Initiative teams must report quarterly to the Department's top executives. Progress is charted and checked, and teams are refocused and redirected as needed to ensure results.

For example, one Strategic Initiative team was responsible for rolling out the new integrated tax-administration SUNTAX system throughout the General Tax Administration Program. Another Strategic Initiative is focusing on building the child support computer system of the future, the CAMS system.

Yet other Strategic Initiatives focus on goals such as integrating tax compliance enforcement efforts, reengineering child support collections business processes, reengineering the real property tax roll review process, and improving DOR's performance-measurement system. Previous Strategic Initiatives gave DOR state-of-the-art recruitment and hiring processes, employee evaluation systems, and improved electronic tax filing processes.

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*We will not rest until  
we have made a  
significant positive  
difference in the lives  
of those we serve.*

**DOR Statement  
of Key Beliefs**

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## Understanding How We Compare

In such efforts, teams map existing business processes, then match DOR's processes against comparable business processes used by leading private- and public-sector organizations nationwide. Establishing relationships with such benchmark partners as Motorola, Sears, and others, DOR teams then analyze how the "best of the best" do similar jobs. When we find a great idea, we adapt it for DOR's use and Florida's benefit.

## Activity Budgeting – A Key to Efficiency, Effectiveness

At DOR, we believe that you "manage only what you measure." This is why we are committed to participating in a new initiative by Governor Bush's administration to identify and track costs of delivering service to the public. It's nuts-and-bolts public administration, but it's essential to making government more efficient.

As one of seven state agencies chosen to participate in this new activity-based budgeting initiative, DOR is building on its decade-long drive to manage by business process. We already have mapped many of our business processes and established key performance measures. By budgeting by activity, DOR will contribute to providing the Governor, state budget managers, and legislators with critical management information about costs of providing public service across many agencies.

This information not only will make Florida state government more efficient and effective, it also is another way for DOR managers to determine whether we are reaching our vision of becoming competitive with world-class organizations. We realize we must compete to survive, just as private-sector organizations do.

Unlike private-sector companies, we have another, higher mission – we serve the people of Florida. Providing the best service at the lowest cost is part of our vision to exemplify the best of public service. In the words of our Statement of Key Beliefs:

"We believe that our task is to change the lives of Floridians for the better. We seek not to preserve the status quo but to challenge it. We will not rest until we have made a significant positive difference in the lives of those we serve." ■



# DOR Strategic Initiatives for 2003-2004

## Department-wide

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- Design a comprehensive leadership system.
- Develop and deploy an integrated performance measurement and management system.
- Develop and deploy a systematic communications process.
- Develop and deploy the technology management system.

## General Tax Administration

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- Integrate the administration of all taxes into a single tax system.
- Design and implement an integrated compliance enforcement system.

## Property Tax Administration

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- Reengineer the real property process.
- Reengineer the tangible personal property process.

## Child Support Enforcement

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- Reengineer the compliance enforcement process.
- Reengineer the process for obtaining orders.
- Enhance and deploy the administrative paternity establishment process.
- Redesign the remittance and distribution process.

## Pioneering Change in Tax Administration

In March 2003, the Florida Department of Revenue passed a major milestone in its journey to competitiveness with world-class organizations: DOR began to administer the \$17-billion-per-year sales tax in its new SUNTAX integrated tax-administration system.

With the “go live” command, SUNTAX became one of the world’s largest integrated tax systems operated in a customized, off-the-shelf enterprise resource management system. SUNTAX put DOR at the cutting edge of tax-administration systems worldwide.

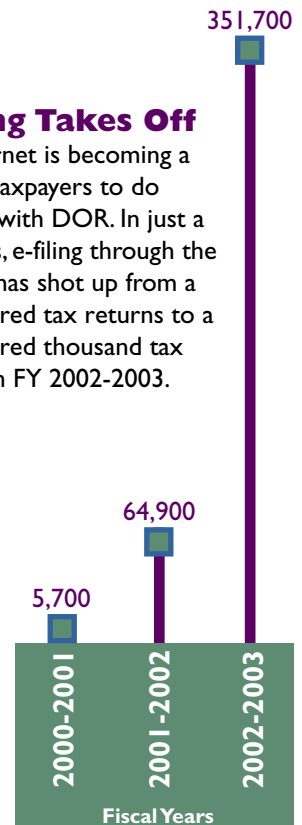
Why does SUNTAX matter? Previously, DOR administered taxes using up to 22 older computer systems. Most were designed to administer specific taxes or perform specific jobs. Created at different times for different reasons, the legacy systems fragmented tax data, making it hard to work with. A DOR employee might have had to check in eight to 10 different computer systems to find data needed to assist a taxpayer with a problem. SUNTAX will put all of a taxpayer’s information, across all types of tax obligations, at an employee’s fingertips through an easy-to-use point-and-click interface.

In addition, the new system is more flexible, easier to maintain, and simpler to reprogram than older, more rigid computer architecture.

The new system is generating substantial savings. DOR estimates that the system will cost \$40 million when completely phased in. Already, total savings due to SUNTAX and related technologies come to more than \$70 million – and the new system will save an additional \$15.5 million per year in perpetuity.

### e-Filing Takes Off

The Internet is becoming a tool for taxpayers to do business with DOR. In just a few years, e-filing through the Internet has shot up from a few hundred tax returns to a few hundred thousand tax returns in FY 2002-2003.



**“At DOR, we believe fair, uniform tax administration plays an important role in providing a healthy business climate for Florida.”**



By 2005, we will use SUNTAX for virtually all 36 DOR-administered taxes and fees. Today, SUNTAX is being used to administer \$20 billion out of the \$27 billion that DOR will collect in the 2003-2004 fiscal year.

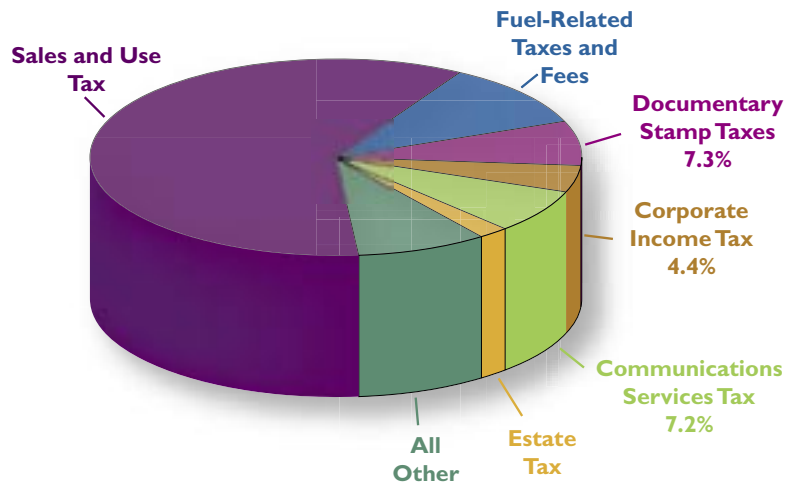
## Creating a Level Playing Field for Business

The new system offers capabilities that will help DOR administer tax law more fairly, uniformly, and effectively than ever before. One example: Unlike long-term residential rents, lease of commercial space is subject to sales tax. But not all businesses that lease property to commercial tenants are collecting tax. Using new computing capabilities, DOR was able to compare property tax records and sales tax registrations in 2003, finding more than 43,000 businesses statewide that might owe tax on commercial rentals. After extensive outreach, thousands of businesses paid more than \$8.3 million in back taxes, penalty, and interest by late October 2003.

More importantly, tens of thousands of other businesses that already comply with tax law are assured that a competitor isn't getting an unfair advantage by evading taxes. At DOR, we believe fair, uniform tax administration plays an important role in providing a healthy business climate for Florida. By ensuring that success goes to the strongest competitors rather than the cleverest tax cheats, DOR seeks to safeguard Florida's free enterprise system.

### Where the Money Comes From

As this chart shows, Florida's sales tax is the single largest tax out of 36 taxes and fees administered by DOR. Sales taxes help pay for such vital public programs as education, law enforcement, and prisons.





## Integrating Compliance Efforts

To maximize benefit from SUNTAX, in July 2003 DOR launched a strategic initiative to reengineer collection, audit selection, audit, dispute resolution, criminal investigation, and taxpayer education business processes. By 2004, SUNTAX will help DOR focus its compliance enforcement resources in areas where needed, helping to protect law-abiding taxpayers from unnecessary audits, improving compliance with the law, and maximizing the state's return on investment.

SUNTAX case management systems will assist auditors in working more rapidly and efficiently, minimizing the impact of an audit on a business's day-to-day operations. Still other systems will guide DOR's taxpayer education efforts, helping taxpayers apply Florida's tax law correctly. Another SUNTAX system will guide DOR employees in administering Florida tax law regarding penalty, helping to provide consistent application of DOR's authority to waive penalty.

## Tax Amnesty: A Chance to "Get Right"

Starting July 1, 2003, DOR began administering Florida's first tax amnesty in more than a decade. The amnesty allowed taxpayers to avoid all penalty and save substantially on interest by paying tax liabilities by October 31, 2003. More than 40,000 taxpayers took the state up on its amnesty offer, paying more than \$75 million in overlooked or overdue tax and saving hundreds of thousands of dollars in penalty and interest.

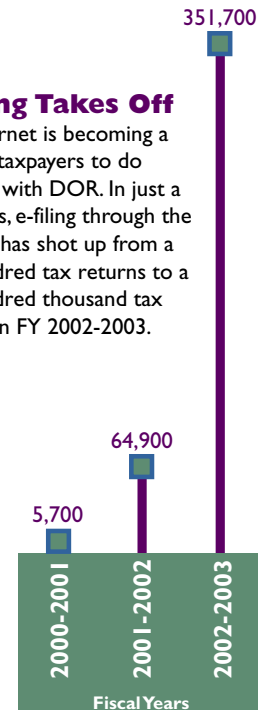
DOR executive director Jim Zingale described the amnesty as a "brief window of opportunity for taxpayers to get right" at the lowest possible cost before DOR began employing new SUNTAX tools to enhance tax compliance. The amnesty was a win for all involved. Businesses and individual taxpayers won by resolving tax liabilities at lower cost. The state won by collecting additional revenue.

## e-Filing Saves Money, Eases Filing

In 2003, DOR implemented new legislation requiring more than 100,000 large and mid-sized Florida businesses to begin filing sales, unemployment, and communications services tax through online systems. Electronic filing of tax returns skyrocketed. In six months, the number of employers e-filing unemployment tax returns leaped from about 14,000 to about 120,000 employers. Their e-filed returns represented almost 7 million employee wage items. For the state, an e-filed tax return costs about half as much to process as a paper return. For businesses, e-filing is safer, more convenient, and less prone to error. Again, everyone wins. ■

### e-Filing Takes Off

The Internet is becoming a tool for taxpayers to do business with DOR. In just a few years, e-filing through the Internet has shot up from a few hundred tax returns to a few hundred thousand tax returns in FY 2002-2003.



***Imagine working from Friday afternoon through to Sunday morning, alone in a chilly building in January in North Florida – and then hiking home from work. Imagine being proud to do it for Florida.***

That's the type of commitment to public service shown by scores of DOR employees as they readied DOR's SUNTAX integrated tax-administration system for launch.

It was a massive job. Programmers, consultants, and account specialists came in early, worked late, and gave up weekends. It shows the lengths to which state workers must go to reengineer the complex processes of a large public agency like DOR.

One story of many involves computer programmer Trevor Campbell. Legally blind in his right eye – he uses his left for programming – Campbell rode a Tallahassee bus to work Friday, worked until Sunday morning, and then hiked home. (Most Tallahassee city buses don't run on Sunday.) He had to work weekends because others needed SUNTAX on weekdays for ongoing work.

"I could catch some sleep while we were backing up the data," recalls Campbell. "You pull three chairs together and take a nap on them. It was cold weather but I had my coat to keep me warm." Heat is turned down in state buildings on weekends to save energy costs. "The only thing wrong was I'd get hungry. And being alone – it was 1 or 2 a.m. and there was nobody there."

Campbell downplays his commitment, saying the "real work" was cleaning up tax account data. "It's like a challenge that I'm up for," he says. "I'm able to be a part of a project like this, with the state moving to a new and better system. I'll always know I did something significant for the state and the people I serve."



***“I’ll always know I did something significant for the state and the people I serve.”***

***Trevor Campbell,  
computer programmer***



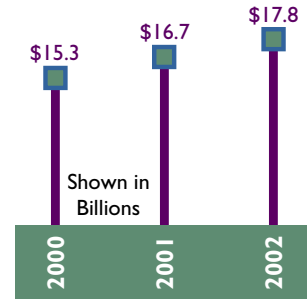
## Fairness and Accuracy in Property Tax

**T**axes are never popular, but efficient, fair tax administration makes it easier to see our taxes as a necessary expense for public services. Raising almost \$18 billion in revenue in 2002 on \$1.2 trillion in property value, Florida's property tax is designed to equitably distribute the cost of local services (police and fire protection, public schools, and local infrastructure) based on the taxable value of property.

To ensure property is fairly and accurately assessed for tax purposes, Florida law requires DOR to oversee the work of Florida's 67 property appraisers in establishing local property assessments. The property appraiser's work of accurately assessing value always is challenging, but it's especially tough when the real estate market is strong. This is such a time. Historically low interest rates, continued population growth, and a growing real estate market helped fuel 11.6-percent growth in market value (minus exemptions) in 2002. This topped growth in 2001 of 10.6 percent.

To help Florida's 67 property appraisers meet this challenge, DOR's Property Tax Administration Program has been working for four years to strengthen our business processes for reviewing county assessment rolls. DOR experts strengthened statistical standards, improved reviews of procedures used by property appraisers, and upgraded techniques to accurately evaluate property tax rolls.

Despite increasingly tough reviews by DOR, all 67 Florida property appraisers are complying with state law. DOR reviews also show that the uniformity of Florida's property tax rolls has been improving markedly, with the key measure of tax roll uniformity improving by almost 17 percent since 1997.



### Rising Revenues . . .

Florida cities, counties, school boards and special districts are seeing an increase in revenue from the property tax, in large part because of a strong real estate market.

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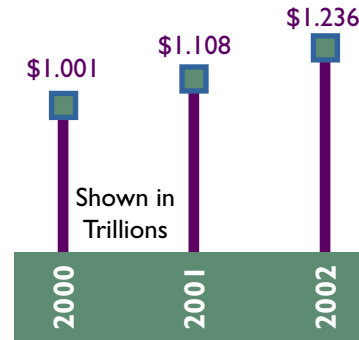
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## What Does the Market Say?

DOR has relied heavily on a comparison of property appraisers' assessments of property with actual property sales figures. This "sales ratio methodology" has the merit of "listening to the market" to determine property values. Today, DOR supplements this method with others. For example, when too few sales occur in a market, DOR sends appraisers on-site to perform independent analyses of property value.

The real strength of DOR's multi-pronged approach lies not with any one methodology for reviewing the just valuation, equity, and uniformity of assessments, but in the value of several approaches. Weighing the results of several methods, DOR can gain confidence in the accuracy of all.



### ... From a Strong Market

Continued population growth and a strong market are driving up real estate values across Florida. In 2002, property values grew statewide by 11.6 percent.


## Competitiveness through Privatization

To ensure the fairness of this multi-billion-dollar tax source, Florida lawmakers authorized the hiring of additional experienced appraisers in 2002 to do these on-site appraisals. These additional positions improved the Department's ability to produce complex studies of high-value parcels of commercial property.

Accurately assessing county tax rolls also requires less complex on-site appraisals of residential property. To do this important job, DOR turned to private-sector appraisers, whose businesses are geared to cost-effectively carrying out this work. This approach to outsourcing follows models established by private-sector managers, who outsource tasks so they can focus on core functions.


## Increasing Productivity Through Technology

In mid-2003, DOR began to develop a new tool to help DOR appraisers more quickly and accurately value property. Finding out how much similar parcels have sold for is a key factor. DOR appraisers – and many other appraisers – long have relied on computerized tools for help. But making those tools easy to use has been a challenge.



In October 2003, DOR appraisers began using a new appraisal information system available through the Department's internal network (or Intranet). Using a simple point-and-click interface, DOR appraisers now can identify comparable parcels, check such business-boosting factors as locations on major highways, and find recent sales information. The new technology makes it easier and faster to access information (especially on commercial and industrial properties) and to share information with other appraisers.

By helping DOR appraisers identify the value of parcels more accurately and quickly, DOR also will improve the base of data through which we and Florida's property appraisers work to make property tax administration as fair and uniform as possible. ■





### More Dollars to More Children More Quickly

**W**hen a DOR program sets a performance record, it's cause for celebration. In DOR's Child Support Enforcement Program (CSE), the celebrations are getting to be routine.

In July 2003, CSE announced another record in child support collected in FY 2002-2003, collecting \$964.8 million. Our employees set their ninth consecutive collection record.

Nine years of record-setting performance is good news by any standard. The good news becomes more impressive when you realize that CSE experienced a significant drop in caseloads over this period, due in part to welfare-reform legislation. To put this achievement in business terms, imagine that a major corporation experienced a big increase in revenues even though the number of customers seeking service declined. That's what Florida's child support enforcement workers have achieved.

What contributed to our record-setting performance? Our employees' commitment, teamwork, and innovation were key factors.

In addition, the last decade has seen the development of better, more effective tools for the enforcement of child support. For example, if a parent refuses to support his or her children, DOR can arrange to suspend driver licenses, intercept tax refunds and some insurance settlements, or freeze financial accounts. Withholding income from parents' paychecks is DOR's single most effective collection tool, accounting for almost half of all collections in FY 2002-2003.

### Establishing Support Orders Faster

But DOR can't collect a dime of child support until a legally binding order for support is established. That's why establishing support orders is critical. DOR established 65,700 new child support orders in federal fiscal year 2002-2003, exceeding federal performance standards.

Establishing a child support order through the courts typically takes more than eight months. To reduce that time, in 2002 Florida lawmakers created an alternative means of establishing support orders in certain cases. In 2003, DOR implemented an administrative establishment process statewide, creating a centralized unit in Orlando to process these cases. In an earlier

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pilot, administrative establishment cut the time needed to establish an order by half.

Whatever process is used to establish an order, DOR is working to increase production and speed processing. When children need support, time is of the essence.

## Undistributed Collections: A Challenge

DOR also made substantial progress in 2003 in addressing one of the toughest challenges in child support enforcement administration – reducing the balance of child support collections not yet distributed to families or repaid to federal and state governments. For example, payments on past-due child support that were collected by intercepting a parent's IRS refunds are held for 170 days if the money comes from a jointly filed tax return. This allows the current spouse of the noncustodial parent to claim a rightful share of the refund. In other cases, employers and noncustodial parents fail to correctly identify where the money is to go, or custodial parents forget to notify DOR when they move.

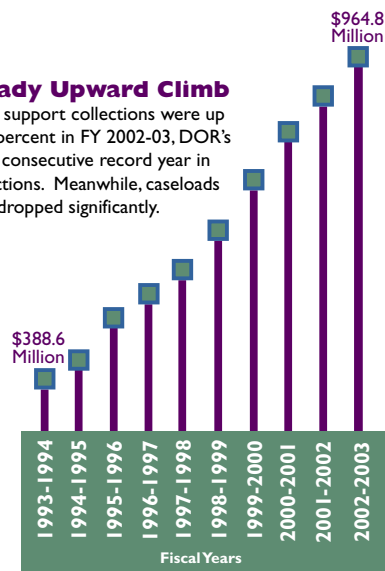
But through hard work and innovation, DOR is making remarkable progress in cutting its undistributed balance. At one point, the state's undistributed balance was as high as \$53.3 million – still less than 1 percent of total collections since 1994, but too high. DOR launched an aggressive effort to reduce undistributed collections. (See Page 14 for one work unit's approach.)

By August 2003, CSE had cut Florida's undistributed balance by more than half of its peak, down to \$25.9 million. The federal Office of Child Support Enforcement recognized Florida's plan as a model for other states to emulate and gave DOR the national Commissioner's Award for Exemplary Customer Service.

Attacking the issue of undistributed collections was one of many issues discussed at the National Child Support Enforcement Association's annual conference in June in Orlando. Highlighted by an appearance by Lt. Governor Toni Jennings, the conference allowed DOR managers to learn from other states' efforts and share Florida's approach to common problems.

### Steady Upward Climb

Child support collections were up 10.8 percent in FY 2002-03, DOR's ninth consecutive record year in collections. Meanwhile, caseloads have dropped significantly.





# Child Support Enforcement

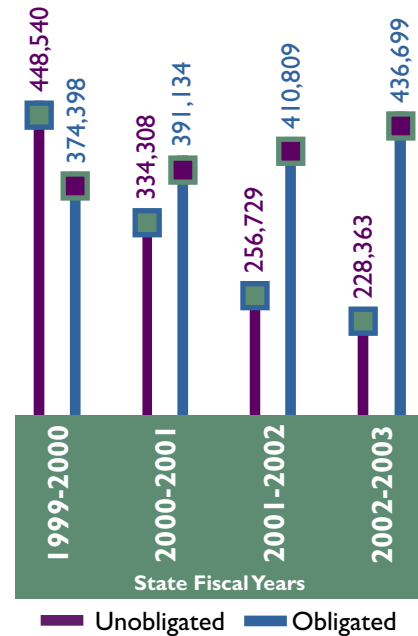
***DOR wishes to thank Governor Bush and the Florida Legislature for their strong commitment to families shown by approving \$23.8 million in CAMS funding in a difficult budget year. Their leadership is making a difference for Florida's children.***

As Lt. Governor Jennings said, "We are seeing significant gains in our child support system from 20 years ago. Collections are up nearly 11 percent in the last year. . . . We want to make sure that all children and their families have the ability to build better futures."

## On the Way – New Technology

In addition, Governor Bush and Florida lawmakers set aside \$23.8 million toward the development of a new, more effective child-support computer system, the Child Support Automated Management System (CAMS). The new computer system will help child support workers apply existing enforcement tools more effectively in cases where parents haven't paid what they owe. The new system also will increase support collections, reduce processing time, and help CSE deliver better service to families. It is expected to be in operation during FY 2005-2006.

The new system will be more flexible, less costly to administer, and easier to reprogram to comply with changing state and federal laws on child support. In addition, the new system will help DOR enforce child support orders more efficiently and effectively, contributing to a projected \$196 million in additional collections within three years after implementation and \$2.9 billion within 10 years. ■



## Moving Cases to Order

DOR has steadily increased the proportion of cases that have support orders to those new cases in which orders haven't yet

### ***A Job for Santa's Revenue Specialists?***

Getting the right payment to the right family quickly is a priority for DOR's Child Support Enforcement staff. But money can be delayed because of federally mandated delays, when tangled accounts must be straightened out, or when families move but don't update addresses.

DOR has launched an ambitious statewide initiative to reduce the balance of undistributed child support collections. We are making encouraging progress (see "Undistributed Collections: A Challenge," Page 12). DOR employees are aware that families' needs are never greater than during the holidays, when parents can face painful choices between paying bills or playing Santa. As part of our statewide effort, in November 2002 Operations Review Specialist Jean Long of Jacksonville and other colleagues in her region set out to help Santa. Their goal: Track down undistributed dollars and get them to families in time for Christmas.

Speed and efficiency were vital. So the team used software that let them quickly move from a list of cases with pending collections to computerized collections/audit tools and to a central state computer system to review case information. The software helped workers cover more cases in a short time.

The payoff was extraordinary: \$289,000 to more than 770 families during the holidays. "When I got the check, I was so happy. I thank God for that," said a Jacksonville guardian, who split almost \$3,100 in collections between her niece and nephew. Her niece, a sophomore at the University of Central Florida, was able to continue her education thanks in part to this team's work. "It was a blessing."

The team was honored with a Davis Productivity Award (see Davis Awards, Page 23). "This team reflects the DOR Values of Service and Concern for Others," says CSE Regional Manager Patricia Clark. "Our vision says we will exemplify the best of public service. That's what Jean Long and her teammates did."



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That's what  
Jean Long and her  
teammates did.***

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***Patricia Clark,  
CSE Regional Manager***



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*With good leaders,  
good technology,  
and sound business  
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DOR's employees do so  
routinely.*

”

## Exemplifying Excellence in Public Service

**M**any factors affect an organization's performance. Introducing powerful new technology is one way that many companies, government agencies and other organizations are gaining effectiveness. Increasingly, advanced business process management techniques also pay off for organizations.

The backbone of any organization is its leadership. With good leaders, good technology, and sound business processes, motivated employees can achieve wonders – DOR's employees do so routinely.

But without effective leadership, organizations stagnate at best and fail at worst. This is true of all types of organizations, from sports teams to private-sector corporations to American military units fighting in distant lands. In 2003, DOR launched an initiative to improve our development of top-quality leaders, using proven techniques drawn from our culture of continual improvement:

- **Basic training:** Hundreds of DOR managers will receive introductory training in Baldrige-style management principles in 2003 and 2004. This introductory training is meant to give DOR leaders a broad conceptual framework to understand how the Baldrige movement – based on established business process management techniques pioneered by America's leading corporations – can improve the effectiveness of any organization.
- **Charting a course:** This initiative has developed specific expectations for DOR leaders and is helping to ensure that these expectations are built into each leader's individual development plan. DOR managers meet annually with their supervisors to go over their development plans and identify mutually agreed goals to improve their capabilities in the coming year.
- **Providing feedback:** In 2003, DOR conducted its first electronic 360-Degree Feedback Survey for all 600-plus members of Executive Director Jim Zingale's Leadership Team. Since 2002, all DOR supervisors

have received feedback on their performance not only from their bosses – the traditional mainstay of performance evaluation – but from employees who report to them and from their peers throughout the organization. This initiative represented a huge expansion of DOR’s long-standing 360-Degree Feedback system, which formerly provided feedback only to sixty or so senior managers.

- **Building strengths:** DOR supervisors now use the results of the 360-Degree Feedback Survey plus their own evaluation of employees’ performance in DOR’s new performance-evaluation process. For the first time, all DOR supervisors and managers got a chance to see their strengths and opportunities for improvement through the eyes of their own direct reports, their peers, and their supervisors. More than ever before, DOR supervisors know where to focus their efforts to reach expected goals.

Other leadership development efforts build on progress already under way in DOR. For example, just as in successful major corporations, DOR conducts strategic planning activities every quarter. At each quarterly meeting, DOR managers examine the progress of core programs and business processes toward expected goals and determine next steps.

If this approach to management reminds you of a successful U.S. corporation, it’s no accident. At DOR, we are intent on building a public-sector management system that can harness the proven power of private-sector productivity and innovation to attain the noble goals of public service. It is not a simple process, nor can we hope to achieve our goals without forging strong, positive relationships with Florida businesses, parents, our employees, and other government agencies.

But in an era in which America may call on its public agencies at any time to achieve extraordinary things, we believe it is the only approach that makes sense. ■

“

*At DOR, we are intent on building a public-sector management system that can harness the proven power of private-sector productivity and innovation to attain the noble goals of public service.*

”



## Serving Our Customers

### Measuring Our Performance in Customer Service

As part of our drive to continually improve business process outcomes, the Florida Department of Revenue measures external customer satisfaction with certain DOR services from time to time. Pages 17 and 18 of the 2003 Annual Report include summaries of survey findings, as required by state law. In the “Tell Us What You Think” customer-satisfaction survey findings below, the percentages reflect the four-point rating scale used in this survey, which ranges from poor (25 percent) to excellent (100 percent). Thus, a 75 percent rating reflects an average rating of “good” from DOR customers. In the Refunds Process Survey reported below, the percentages reflect the percent of customers saying they were satisfied or very satisfied with DOR’s performance in handling tax refunds in the General Tax Administration Program.

### Tell Us What You Think

“Tell Us What You Think” customer-service survey cards are available at every DOR service center for both tax and child support customers. Surveys continue to report generally good customer satisfaction. DOR is exploring means to improve customer satisfaction through enhanced technology and business process improvements, especially in child support enforcement.

	Overall Service Rating		
	2000-2001	2001-2002	2002-2003
<b>Child Support Customers</b>	<b>80%</b>	<b>75%</b>	<b>74%</b>
Cards Received	1,566	1,144	652
<b>Taxpayer Satisfaction</b>	<b>98%</b>	<b>98%</b>	<b>97%</b>
Cards Received	1,259	1,315	1,145

### Refunds Process Earns Approval

Customer-satisfaction surveys continue to reflect high levels of satisfaction with this service.

	2000	2001	2002
<b>General Tax Refunds Process</b>	<b>89%</b>	<b>89%</b>	<b>89%</b>

*Lost a lot of sleep when notified of audit - heard many ‘horror’ stories. Amazed how painless it was. Seems that you are as efficient as can be expected and then some . . .*

*Respondent to audit quality survey*

## Audit Satisfaction Survey Results

Surveys reported on this page reflect responders' satisfaction with the DOR audit process and the DOR electronic systems for filing tax returns and paying tax. Audit Quality Survey results continue to report very high levels of satisfaction with auditor professionalism and attention to minimizing impact on businesses' daily routine. The chart at the bottom of the page reflects results of customer-satisfaction surveys done during the 2003 implementation of new legislation requiring larger numbers of businesses to file and pay tax electronically. As surveys showed a need for improvement, DOR improved processes, then saw an increase in satisfaction levels.

### DOR Audit Program

#### Sales & Use Tax and Corporate Income Tax Audits: 402 surveyed

	Fell Below Expectations	Met Expectations	Exceeded Expectations
Promptness of the auditor in keeping appointments	3%	41%	56%
Lack of disruptions to your business by the auditor	15%	41%	44%
Length of time to conduct the audit	13%	41%	46%
Professionalism of the auditor	2%	23%	75%
Auditor's knowledge of the audit/tax laws	4%	31%	65%
Education you received about Florida's tax laws	6%	41%	53%
Auditor's explanation of any proposed adjustments	4%	36%	60%
Auditor's explanation of your appeal rights	3%	40%	57%
Your overall audit experience	6%	28%	66%

#### Unemployment Tax Audits: 775 surveyed

	Fell Below Expectations	Met Expectations	Exceeded Expectations
Lack of disruptions to your business by the auditor	1%	31%	68%
Professionalism of the auditor	0%	19%	81%
Your overall audit experience	1%	24%	75%
The auditor's cooperation in scheduling the audit at a mutually agreeable time and place	0%	32%	68%
The explanation, prior to the audit, of the purpose of the audit	3%	42%	55%
The explanation of the records needed to complete the audit	0%	40%	60%
The explanation of the audit findings upon completion of the audit	1%	32%	67%

### Certified Audit Program

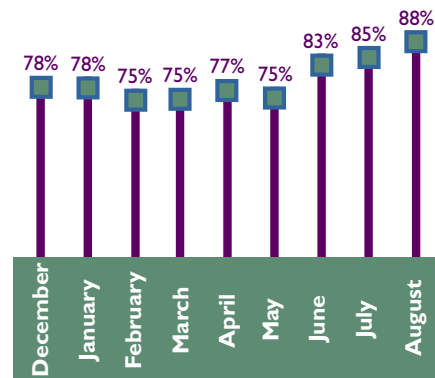
#### Certified Public Accountant - Satisfaction Survey: 49 surveyed

	Fell Below Expectations	Met Expectations	Exceeded Expectations
DOR's administration of the Certified Audit Program	4%	43%	53%
FICPA's administration of the Certified Audit Program	5%	56%	39%

#### Taxpayer - Audit Satisfaction Survey: 34 surveyed

	Fell Below Expectations	Met Expectations	Exceeded Expectations
Certified Audit compared to DOR audit	0%	38%	62%
The overall certified audit process	0%	44%	56%

## e-Services Website Customer Satisfaction



**Monthly Survey**  
December 2002-August 2003

## DOR Legislative Performance Measures

### General Tax Administration

#### Measure

#### 2002-03 Standard

#### 2002-03 Actual

#### Standard Met?

Return on Investment (total collections per dollar spent)<sup>Δ</sup>

\$167.00

\$171.92

Yes

### Taxpayer Registration and Education

Dollars collected voluntarily as a percentage of total dollars collected<sup>Δ</sup>

98%

98%

Yes

Percent of sales tax returns filed substantially error-free and on time<sup>Δ</sup>

78%

80% <sup>E</sup>

Yes

Number of accounts maintained

2,900,000

1,988,422

No

### Returns, Revenue, and Information Processing

Average number of days between the processing of a sales tax return and the first notification to the taxpayer of an apparent filing error or late return<sup>Δ</sup>

25

30 <sup>E</sup>

No\*

Percent of delinquent sales tax return and filing error or late return notices issued accurately to taxpayers<sup>Δ</sup>

88%

90% <sup>E</sup>

Yes

Number of tax returns processed

10,500,000

9,488,675

No

### Remittance Accounting

Accuracy of initial revenue distributions to local governments<sup>Δ</sup>

95%

97% <sup>E</sup>

Yes

Number of fund distributions made<sup>✦</sup>

40,300

27,109

No

### Compliance Enforcement

Average number of days to resolve a dispute of an audit assessment<sup>Δ</sup>

175

167

Yes

Percent of final audit assessment amounts collected (tax only)<sup>Δ</sup>

85%

88%

Yes

Direct collections per enforcement related dollar spent<sup>Δ</sup>

\$5.00

\$5.45

Yes

Number of audits completed

43,800

51,363

Yes

### Contract Measures with Agency for Workforce Innovation

Percent of new Unemployment Compensation employer liability determinations made timely<sup>Δ</sup>

93.0%

93.9%

Yes

Percent of current quarter Unemployment Compensation taxes paid timely<sup>Δ</sup>

96.0%

96.0%

Yes

Number of new Unemployment Compensation employer liability determinations made

64,000

68,678

Yes

Amount of Unemployment Compensation Taxes Collected

\$685.8m

\$625.2m

No

Number of Unemployment Compensation employer tax/wage reports processed

1,620,000

1,614,602

No

<sup>E</sup> indicates estimated data

<sup>Δ</sup>Eleven of the 18 General Tax Administration (GTA) performance measures represent process outcomes. The remaining seven indicators measure process outputs. Generally, outcome measures are more meaningful gauges of a service's performance than output measures, which may be lower than expected because of reduced calls for service by citizens and businesses. GTA achieved the desired performance standard on 10 of the 11 outcome measures, while only one outcome measure missed standard.

\* Conversion to new SUNTAX system resulted in short-term processing delays.

✦With the implementation of the SUNTAX system, the department was able to consolidate fund activity, thereby reducing the number of fund distributions below the previously established annual standard. The standard for future years will be adjusted accordingly.



# DOR Legislative Performance Measures

## Property Tax Administration Measure

### Property Tax Collection Oversight

	2002-03 Standard	2002-03 Actual	Standard Met?
Percent of refund and tax certificate applications processed within 30 days of receipt	98.0%	99.45%	Yes
Refund requests per 100,000 parcels	31.2	25.71	Yes
Number of refund and tax certificate applications processed <sup>♦</sup>	4,200	4,531	Yes

### Property Tax Roll Oversight

Percent of classes studied found to have a level of assessment of at least 90 percent	96.0%	90.8%	No
Tax roll uniformity - average for coefficient of dispersion	11.1%	9.9%	Yes
Number of subclasses of property studied with feedback to property appraisers <sup>♦</sup>	5,000	8,326	Yes

### Truth in Millage Compliance

Percent of taxing authorities in total or substantial truth in millage compliance on initial submission	97.6%	98.57%	Yes
Number of taxing authority TRIM packages reviewed and evaluated for compliance <sup>♦</sup>	625	627	Yes

<sup>♦</sup> Output measures: actuals reflect underlying demand for the required activity; PTA responded to all requests for services, therefore, all outputs were successfully completed.

## Child Support Enforcement Measure

### Child Support Order Establishment (DOR Cases)

	2002-03 Standard	2002-03 Actual	Standard Met?
Percent of cases with a court order for support (federal measure)	57.5%	68.6%	Yes
Percent of children with paternity established (federal measure)	85%	80.4% <sup>£</sup>	No
Number of cases with a newly established court order <sup>♦f</sup>	49,000	65,707	Yes

### Child Support Remittance and Distribution

Total child support dollars collected per \$1 of total expenditure (federal measure)	\$3.75	\$4.39	Yes
Percent of collections disbursed within 2 business days after receipt	96%	98.5%	Yes
Total number of child support collections distributed <sup>♦</sup>	6,000,000	7,181,502	Yes

### Child Support Compliance Enforcement

Percent of current support collected (federal measure)	54%	56.4%	Yes
Percent of cases with arrears due that are paying towards arrears (federal measure)	75%	64.8%	No
Number of cases that received a payment during the year <sup>♦</sup>	285,000	348,899	Yes

### Child Support Customer Service

Number of calls answered by customer service units <sup>♦</sup>	3,000,000	3,012,476	Yes
Percent of calls answered by customer service units	70%	†	

<sup>♦</sup> Output measures: actuals reflect underlying demand for the required activity. <sup>f</sup> These statistics refer to federal fiscal years. <sup>£</sup> Estimate

† Final statistics not available.



# Revenue Collection Summary

## Five Year Comparison of DOR Administered Tax Collections

FY 1998-99 through FY 2002-03

(\$ Millions)

General Revenue Sources	Actual Deposits				
	1998-99	1999-00	2000-01	2001-02	2002-03
1. Sales and Use Tax	14,569.1	15,780.1	16,615.4	16,369.6	16,670.1
2. Communications Services Tax <sup>^</sup>	NA	NA	NA	1,332.9	2,004.2
3. Corp Income and Excise Tax	1,456.1	1,356.8	1,325.0	1,218.9	1,226.9
4. Documentary Stamp Tax	1,196.6	1,231.9	1,322.1	1,587.2	2,022.3
5. Insurance Premium Tax	353.9	365.1	378.5	414.4	510.9
6. Intangible Tax B & D (annual)	954.9	759.5	454	427.6	346.2
7. Intangible Tax C	233.1	209.9	238.3	332.9	460.5
8. Estate Tax	675.0	779.6	767.3	751.6	558.9
9. Severance Tax - Oil & Gas	4.0	6.3	8.2	5.1	5.3
10. Severance Tax - Solid Mineral	62.7	50.5	39.0	35.0	41.4
11. Audit Clearing Account	187.6	244.4	179.6	189.5	173.1
12. Warrant Clearing Account	38.1	39.4	36.7	37.8	30.3
13. GR Sources - Refunds	-322.1	-377.2	-320.2	-405.1	-391.4
<b>Subtotal: GR</b>	<b>19,408.9</b>	<b>20,446.1</b>	<b>21,043.9</b>	<b>22,297.4</b>	<b>23,658.7</b>
<b>Other Tax Sources</b>					
14. Governmental Leasehold Tax	1.3	1.2	0.9	1.0	1.3
15. Fuel-Related Taxes and Fees	2,498.60	2,602.60	2,712.80	2,829.20	2,937.8
16. Gross Receipts Tax - Utility	636.8	664.7	724.6	517.4	403.6
17. Solid Waste Return Taxes	174.2	180.7	182.4	167.8	164.1
18. Sales Tax - Annual Renewals	8.1	7.4	Repealed	Repealed	Repealed
19. Warranty Fee (Lemon Law)	2.0	2.5	4.7	3.6	8.2
20. Miscellaneous	5.5	7.7	7.7	7.9	5.7
21. Other Sources - Refunds	-54.6	-49.9	-51.4	-50.1	-48.3
22. Unemployment Tax*	NA	NA	440.1	594.7	680.0
<b>Total DOR Administered Taxes</b>	<b>22,681.0</b>	<b>23,863.0</b>	<b>25,066.0</b>	<b>26,369.0</b>	<b>27,811.1</b>
<b>Annual Percent Change</b>	<b>6.4%</b>	<b>5.2%</b>	<b>5.0%</b>	<b>5.2%</b>	<b>5.5%</b>
<b>Growth over 5 years</b>					<b>22.6%</b>
<b>GTA Total Authorized FTE (June)</b>	<b>2,384</b>	<b>2,383</b>	<b>2,703</b>	<b>2,530</b>	<b>2,512</b>
<b>Annual Percent Change</b>	<b>0.1%</b>	<b>0.0%</b>	<b>13.4%*</b>	<b>-17.2%</b>	<b>-0.7%</b>
<b>Change over 5 years</b>					<b>5.4%</b>

<sup>^</sup>A law change in FY 2001-2002 combined seven state and local communications taxes and fees under one tax law and shifted administration of this revenue source to DOR. This law change had the effect of showing revenues formerly stated as sales and use tax receipts as communications services tax receipts.

\* Unemployment tax administration was shifted to DOR in FY 2000-2001.

## Child Support Enforcement Summary

Child Support Cases <sup>Δ</sup>		Total cases as of end of							
		June 1998	June 1999	June 2000	June 2001	June 2002	June 2003		
Pending		188,958	135,590	58,403	17,941	5,442	5,203		
Cases with no court order in effect		325,542	349,259	390,137	316,367	251,287	223,160		
Cases with court order in effect		354,689	362,821	374,398	391,134	410,809	436,699		
Total cases		869,189	847,670	822,938	725,442	667,538	665,062		
Collections (in millions) <sup>†</sup>									
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Total received	\$425.6	\$498.3	\$540.4	\$585.2	\$656.6	\$735.0	\$779.9	\$870.5	\$964.8
Dollars received through income deduction orders	\$166.0	\$167.8	\$168.2	\$203.1	\$257.4	\$346.3	\$394.5	\$425.1	\$458.3
Paternity Establishment				1998-99	1999-00	2000-01	2001-02	2002-03	
Children born out of wedlock in this state for whom paternity was established during the year				56,960	60,531	65,999	62,519	64,863*	
Percentage of children with paternity established				80.4%	82.9%	85.6%	80.1%	80.4%* estimated	
Financial Institution Data Match (FIDM)			1999-00	2000-01	2001-02	2002-03			
Number of accounts frozen			4,170	5,411	5,349	5,076	Number of		
accounts levied			3,203	4,917	5,131	5,307			
Child support collected through FIDM			\$2,680,089	\$4,037,179	\$4,544,521	\$4,324,022			

## Property Tax Administration Statistical Summary

Just values of Florida real, personal and centrally assessed property	2000	2001	2002
	\$1,001.3 billion	\$1,107.7 billion	\$1,236.3 billion
(Percentage increase over previous year)	(7.2 percent)	(10.6 percent)	(11.6 percent)
Just values of Florida tangible personal property	2000	2001	2002
	\$111.1 billion	\$115.3 billion	\$119.7 billion
(Percentage increase over previous year)	(1.8 percent)	(3.8 percent)	(3.8 percent)
Value of \$25,000 homestead exemption to Florida taxpayers	2000	2001	2002
	\$94.3 billion	\$96.8 billion	\$99.4 billion
(Percentage increase over previous year)	(2.7 percent)	(2.7 percent)	(2.7 percent)
Property taxes levied by counties, cities, school boards and other taxing districts	2000	2001	2002
	\$15.3 billion	\$16.7 billion	\$17.8 billion
(Percentage increase over previous year)	(7.0 percent)	(9.4 percent)	(6.3 percent)

<sup>Δ</sup>Reported on state fiscal year basis.    <sup>†</sup> Reported on federal fiscal year basis.



## Davis Award winners

In 1989, a private budget-watchdog agency, Florida TaxWatch, created the Davis Productivity Awards to recognize state employees for innovations that help Florida government perform more efficiently and effectively. Over the years, as individuals or team members, DOR employees have been recognized 6,659 times in Davis awards.

Below are listed the DOR individuals and teams receiving Davis Productivity Awards for 2003:

Team/Program	Project	Value Added
<b>Cash Awards</b>		
<b>Incentive Measures, CSE</b>	Team revised DOR performance measures to maximize benefit from federal performance incentives	\$400,000
<b>Eve Jones, GTA</b>	Team classified complex issues in telecommunications law involving tax on certain switching equipment	Millions of dollars in additional revenue, more accurate application of tax law
<b>Plaque Awards</b>		
<b>Notice of Tax Action Team, GTA</b>	Team revised standard statement sent to taxpayers to improve first-contact resolution rate	\$250,000 when fully implemented
<b>Web Site Evaluation &amp; Improvement Team, DOR</b>	Team members tested and improved usage of navigational tools for DOR Internet site without using external consultants	\$50,000 by avoiding costs for external consultants; not possible to calculate time saved by taxpayers using DOR site more efficiently
<b>Unemployment Compensation Benefits Intercept Project Team, CSE</b>	Team members developed automated system to identify and update missing information to speed interception of UC benefits in child support cases	\$480,000 per year based on monthly projections
<b>LaBelle Service Site Improvement Team, CSE</b>	Team developed plan to improve child support collections and establishment	\$352,000 per year in increased collections, based on quarterly projections
<b>Dana Taylor, GTA</b>	Team member took over work for all three other work unit members, who were on medical leave	Not subject to calculation, but of tremendous value to the state
<b>Dannise Kemp, CSE</b>	Ms. Kemp developed target calculation methodology to help CSE managers identify areas of improvement to meet federal performance standards	\$2.9 million in increased federal incentive funds
<b>Certificate winners</b>		
<b>Chrystal Whitt, ESP</b>	Ms. Whitt took on responsibility of coordinating responses to DOR employees' technical questions about tax law on online information site	Not subject to calculation, but of tremendous value to the state
<b>Compliance Enforcement Central Location Unit</b>	Team replaced outdated, unreliable computer system with improved software helping to identify families for whom support collections had been made	Team's work resulted in \$3.3 million per year in additional distributions to children
<b>E-services Training and Communication Web Team, GTA</b>	Team members set up an Intranet site to distribute "just in time" training to employees without requiring travel	Not subject to calculation, but of tremendous value to the state

## Certificate winners - continued

<b>Insurance Premium Tax Audit Course Team, GTA</b>	Team developed training to address need for additional expertise in this important audit area	Not subject to calculation, but of tremendous value to the state
<b>Hollywood Service Center Climate Improvement Team</b>	Team members worked with nationally known experts to improve management teamwork, respond to employees' suggestions for improvement	Employee feedback surveys showed that work climate significantly improved after team's recommendations were implemented
<b>SUNTAX Computer-Based Training Development Team, GTA</b>	This team conceptualized, designed, developed, tested, and deployed two computer based training sessions for DOR employees in about half the normal time.	Not subject to calculation, but of tremendous value to the state
<b>Naples Establishment Team, CSE,</b>	Team's efforts resulted in increasing percentage of child support cases with enforceable orders for support from 61 percent to 76.5 percent	80 percent increase in number of child support orders established over previous year
<b>Gainesville CSE Establishment Order Improvement Project, CSE</b>	Team improved tools used to persuade noncustodial parents to meet obligations to children before court hearings	Resulted in increase in performance measures for Gainesville service center
<b>Gadsden County Child Support Establishment Process Team, CSE,</b>	Team identified opportunities to improve performance, tested and implemented strategies to achieve results	First county in state to reach 80 percent of all child support cases with an enforceable support order in effect
<b>Region Two Data Exception Report Task Force, CSE,</b>	Team identified and implemented methods to get child support collections to parents in cases where location wasn't known	\$289,000 in child support collections was distributed to families immediately before Christmas 2002
<b>Okeechobee County Child Support Enforcement Service Center, CSE</b>	This Service Center holds first or second place among service centers statewide in performance rankings on three federal incentive measures for FFY 2001-02.	Meeting federal incentive measures helps earn federal dollars to support child support enforcement efforts
<b>Indian River County Child Support Enforcement Office, CSE</b>	This Service Center also scored very well on performance measures despite losing two positions to workforce reductions.	Meeting federal incentive measures helps earn federal dollars to support child support enforcement efforts
<b>West Palm Beach Child Support Enforcement Team, CSE</b>	Team improved data analysis capabilities and identified gaps in performance	Team boosted child support collections by \$4.9 million
<b>Ft. Myers Remittance and Distribution Process Team, CSE</b>	Team improved analysis procedures, developed a tracking system, and routinely monitored progress	Team was able to arrange for distribution of \$385,789 in backlogged child support
<b>Glynn Walters, GTA</b>	Mr. Walters' research into industry practices overcame a taxpayer's attempt to shift income out of Florida to escape taxation	Mr. Walters' efforts resulted in payment of millions of dollars in tax owed
<b>Clearwater Internet Registration Team, GTA</b>	Team improved procedures for registering new businesses to collect taxes and streamlined process for sending certificates to new business operators	Team saved 707 business owners \$3.5 million in penalty associated with potential noncompliance with law
<b>Janice Escribano, GTA</b>	Ms. Escribano updated procedures and trained employees in their use to improve effectiveness of identifying taxable business activity conducted before the taxpayer registered	Team's efforts resulted in \$1 million in tax for activity and \$300,000 in voluntary remittances in the first year since registration



## What We Believe

**We believe** that we must compete to continue to serve the taxpayers, families and businesses of Florida, providing quality service at the same or lower cost than world-class organizations. We will compete by pioneering innovations in law administration, technology and business process management. Our challenge is to match or surpass the world's best – whether public or private – at everything we do.

**We believe** that our task is to change the lives of Floridians for the better. We seek not to preserve the status quo but to challenge it. We will not rest until we have made a significant positive difference in the lives of those we serve.

**We believe** that public service is a public trust. We will demonstrate impeccable integrity, enforcing the law uniformly without fear or favor. Our conduct will inspire Floridians' confidence in our integrity and competence. When strict interpretation of the law produces an unfair, unintended result, we will seek a fair, reasonable solution within the discretion allowed by law.

**We believe** that those called to public service have a responsibility to each other. Ours is a tremendous challenge. We will succeed only if we trust each other, invest in each other and bring honest, willing hearts to our daily work.

“

*We look forward to 2004 and the opportunity to contribute still more toward a bright future for the Sunshine State.*

”

*Jim Zingale,  
Executive Director*

## Vision

*We will be competitive with world-class organizations.*

*We will exemplify the best of public service.*

*We will demonstrate integrity in all of our actions.*

## Mission

*To achieve our vision to serve Floridians, we will:*

*Innovate.*

*Pioneer change.*

*Promote excellence.*

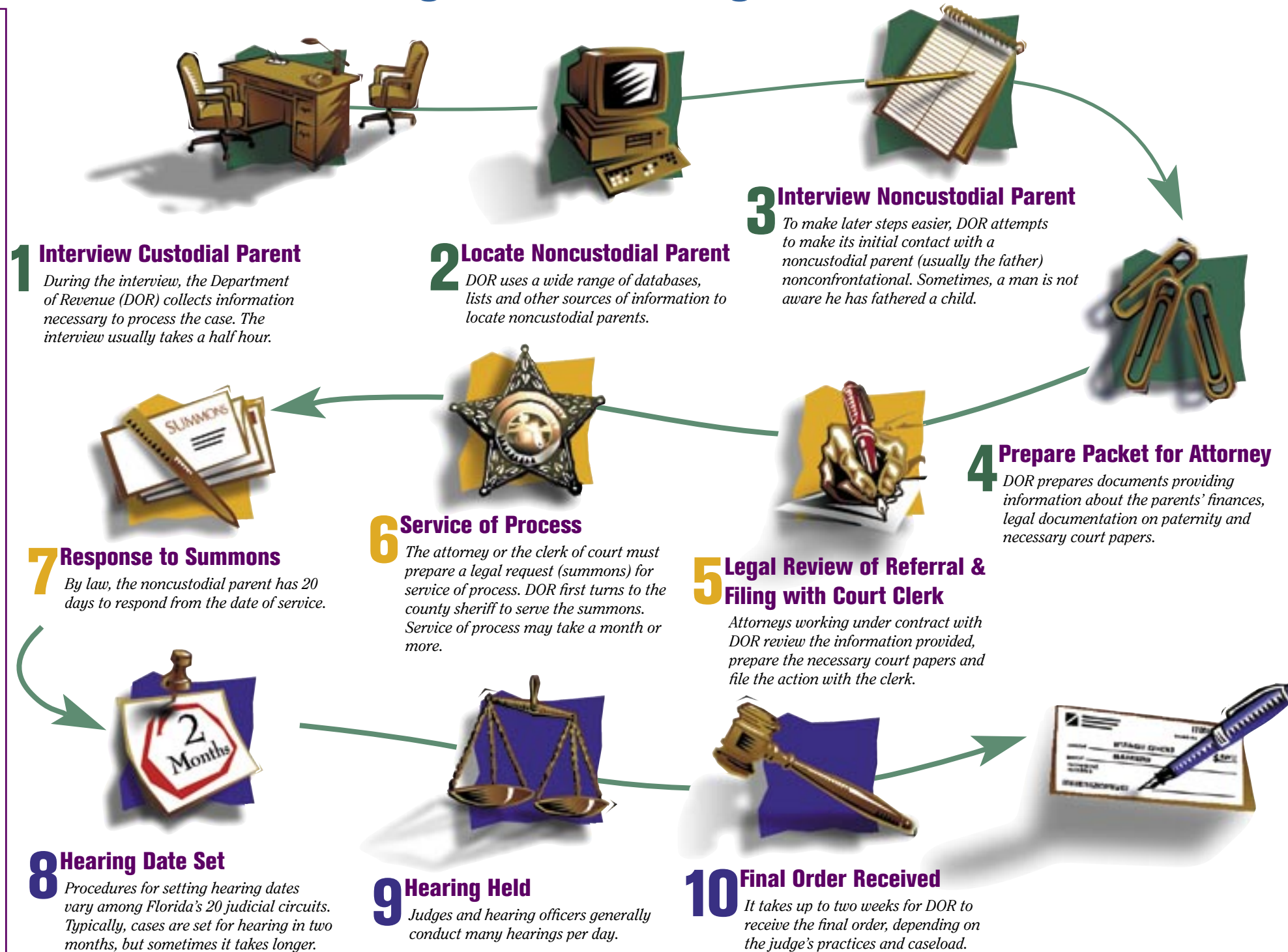


# ■ Child Support Enforcement Program: Providing for Florida's Children

# CSE

## Establishing Orders

Overseeing child support cases for 901,000 children can be challenging. Before the first dime can be collected, an order for support must be in place. The 10 steps at right must be completed to establish a child support order through the courts. Yet fewer than 10,000 of the nearly 250,000 new cases DOR receives each year have these vital orders in effect when the cases come in. DOR must work with several partners to make the establishment process effective: custodial parents, noncustodial parents, attorneys, court clerks, sheriff's departments and the judiciary. DOR is working with its partners to make the establishment process faster and more effective.



## For Your Information

### Children Need Dads

Making child support enforceable actually begins at birth. A critical element of establishing child support is establishing paternity. In the last three years, DOR has worked with Florida hospitals and birthing centers, and the Department of Health to arrange for more than 139,806 unwed fathers to sign affidavits voluntarily affirming paternity of newborns. If these children ever need child support, paternity already will have been established.

### Finding Noncustodial Parents

DOR uses these tools to locate noncustodial parents:

- Driver license lists
- Reports filed by employers
- Utility company records
- Florida Medicaid and food stamp recipient lists
- Loan information on file with credit agencies
- Internet-based telephone and city directories
- Courthouse records
- Data from financial institutions.

### Proof Positive of Paternity

If the alleged father argues he is not the child's parent, DOR conducts genetic testing to be sure. DOR is one of the largest users of genetic testing in Florida, testing more than 41,000 individuals per year. Genetic tests generally are accepted as proof of paternity in any U.S. court.

### Collection from Noncustodial Parent

- Have driver licenses suspended.
- Have passports suspended (if unpaid obligation is \$5,000 or more).
- Ask a judge to issue an arrest writ if the noncustodial parent fails to appear in court (writs

To require parents to pay what they owe, DOR can:

- are on file in police computers; if someone named in a writ is stopped by a law enforcement officer, he or she is arrested).
- Ask state or federal prosecutors to file criminal charges in certain circumstances.

### Collection from Employer

The most effective enforcement tool is an income deduction order. It requires an employer to deduct child support payments from an employee's paycheck and send them to a central depository. Roughly half of all paying cases have such orders.

### Collection through Liens on Assets

If a parent won't pay, DOR can:

- Seize IRS tax refunds.
- Report the parent to credit reporting agencies.
- Put liens on property.
- Freeze financial accounts



For more information:  
**Department of Revenue**  
[www.myflorida.com/dor](http://www.myflorida.com/dor)  
 1-800-622-5437



# ■ Child Support Enforcement Program: Providing for Florida's Children

## CSE

### Enforcing Orders

Once a child support order is established, children should receive support. Unfortunately, some parents choose not to pay.

As in other functions, DOR works with many partners to enforce orders: parents, employers, financial institutions, the IRS, other state and local agencies, and the judiciary. All partners must work together if children are to get the support they need.

Shown here are enforcement tools DOR may use (singly or in combination) to secure payment of child support. State and federal laws limit how and when certain tools can be used. Except for income deduction, most tools are used only to recover past-due support.

### Suspension Actions

Before suspending a license or other important government document, DOR asks a parent to pay past-due support. If the parent does not pay, DOR may suspend:

- Driver licenses
- Passports
- Professional licenses
- Vessel or vehicle registrations
- Hunting or fishing licenses



### Reports to Credit Agencies

Like other creditors, DOR reports past-due amounts to credit agencies, negatively affecting a noncustodial parent's credit rating.

### Judicial Intervention

DOR can refer cases to the court system for judicial intervention. Possible penalties vary depending on past behavior.

- Arrest order (civil) for failure to appear
- Jail time up to 179 days for contempt of court
- Full or partial payment to purge contempt
- Misdemeanor and felony criminal prosecution by state attorneys or U.S. attorneys



### Liens

Liens against property legally prohibit any sale without satisfaction of the lien. DOR can initiate liens to collect past-due support on:

- Vehicles
- Boats
- Personal water craft
- Mobile homes
- Real estate

### Asset Enforcement

DOR can freeze and then seize financial accounts nationwide. Institutions check their records against child support delinquencies to provide account information to DOR for action.



### Income Deduction Order (IDO)

Automatic payroll deduction is DOR's most effective collection tool. When DOR issues an IDO, the employer is required to comply. More than half of all child support collected comes from IDOs.



### Income Interception

DOR can intercept money from:

- IRS tax refunds
- Lottery winnings
- Workers' compensation benefits
- Unemployment compensation benefits
- Insurance settlements
- Liquidated unclaimed property



## Locating the Noncustodial Parent

The first step in enforcement is locating the noncustodial parent. DOR uses a number of databases and other resources to locate parents and their assets. The custodial parent can be a key partner in this process. Location tools include:

- Employer new hire reporting
- Financial institution records
- Property records
- Driver and other license records
- Government programs' payment records
- Utility company records
- Internet databases

## Some CSE Success Stories:

- A Broward County noncustodial parent had his unclaimed property intercepted. This resulted in a \$24,759.99 collection for support owed for his 25-year-old son.
- The largest Financial Institution Data Match (FIDM) collection in Florida resulted from a freeze for a Hillsborough County case. The noncustodial parent owed \$146,437 and he contested the levy on his account. The court found in favor of the Department of Revenue and ordered that \$90,992.92 be paid. The noncustodial parent agreed to abide by the court order. What made this such a special event is that the custodial parent has brain damage and has been unable to maintain employment. She has been supported by the child in the case.
- The newly established Insurance Intercept program is working well. The largest collection was in a Sarasota County case that was settled for \$74,414.57, of which \$73,941.17 was forwarded to the custodial parent.



For more information:  
**Department of Revenue**  
[www.myflorida.com/dor](http://www.myflorida.com/dor)  
1-800-622-5437

# General Tax Administration Program

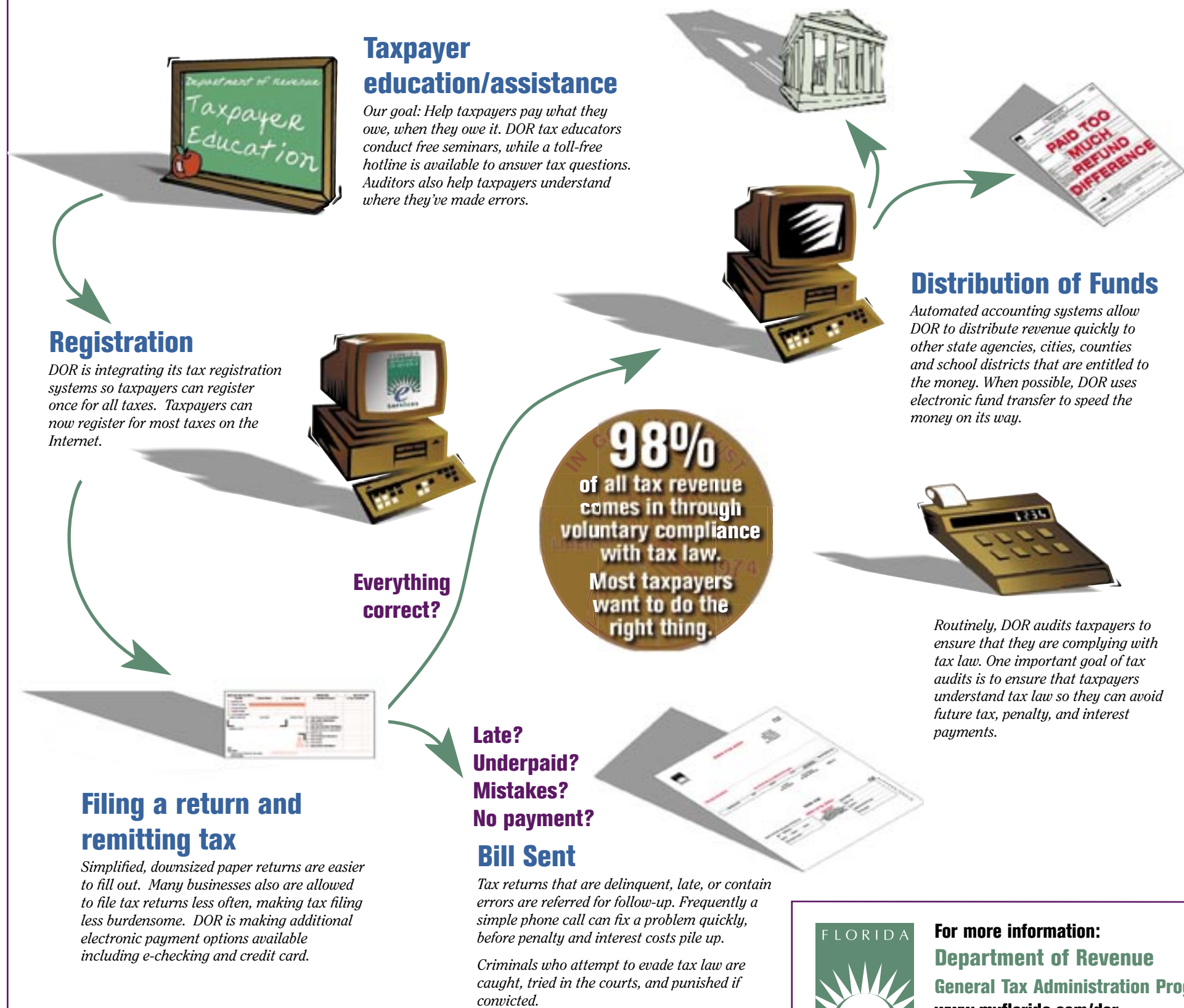
# GTA

The Department of Revenue's General Tax Administration Program (GTA) administers 36 taxes and fees. GTA collects more than \$27 billion per year for schools, health care, prisons, transportation, environmental protection, and other programs. GTA also collects more than \$2 billion per year for other state agencies.

Most tax revenue comes to the state through businesses, especially large businesses, rather than directly from citizens. For example, the state's 100 largest sales tax accounts generate over 26 percent of all sales tax collected, averaging nearly \$4 million per account per month.

Today's demands for greater processing efficiency have led GTA to create a comprehensive suite of options available to taxpayers for doing business with DOR electronically. For example, GTA dramatically expanded ways for taxpayers to file tax returns and pay tax electronically in FY 2001-2002. Internet filing is safe, convenient, and low in cost. If a taxpayer prefers not to file via the Internet, DOR-certified private providers offer alternative filing options that offer additional features.

It is our job to make tax compliance as simple as possible for our business partners so they can be as effective as possible.



## For Your Information

- In FY 2002-2003, Florida collected over \$17 billion (all taxes) entirely through paperless systems. Both tax returns and tax payments arrive at DOR electronically and are processed by computer. Over 1.24 million tax returns were filed computer-to-computer in FY 2002-2003, an increase of about 25 percent from the previous year.
- Paper tax returns are sorted by tax type and sent to a sophisticated automatic imaging system. Digital images of tax returns are available to any DOR staffer anywhere in the state or nation within 24 hours, allowing DOR to answer taxpayers' questions and follow up on filing problems. In FY 2002-2003, DOR digitized more than 7.4 million tax returns.
- DOR continues to benefit from a partnership program with the Florida Institute of CPAs to certify private auditors. The Certified Audit Program allows taxpayers to hire, at their own expense, CPAs trained and approved by DOR to conduct sales and use tax audits. During the 2003 legislative session, the sunset provision of the program was removed to make the certified audit program an ongoing opportunity for Florida taxpayers. We regard this as a triple win: Taxpayers benefit from reduced penalty and interest, CPAs earn new business, and the State receives additional audit coverage with minimal public expense.



**For more information:**  
**Department of Revenue**  
**General Tax Administration Program**  
[www.myflorida.com/dor](http://www.myflorida.com/dor)

**Taxpayer Hotline:** 1-800-352-3671  
1-850-488-6800  
**Unemployment Tax:** 1-800-482-8293  
**TDD calls:** 1-800-367-8331



# Property Tax Administration Program

# PTA

Florida taxpayers paid almost \$18 billion in property tax in 2002, making property tax the second largest source of public revenue within the state of Florida. Property tax is a mainstay for local governments, financing vital public services such as public schools, police forces, fire departments, etc. Fairness, uniformity, and accuracy are critical to appropriate enforcement of this tax.

To ensure that property is assessed in accordance with law, DOR uses a blend of sophisticated computer-assisted analysis and expert on-site appraisal of property to review tax rolls. By reviewing computerized sales data on more than 700,000 property purchases statewide, DOR analysts can determine how the market values property. Because sales are not evenly spread throughout all property, DOR now supplements the analyses of sales data by sending DOR experts to conduct on-site appraisals of sample properties. DOR then compares its estimates of market value of sample properties with the property appraiser's assessments for the same properties. DOR staff confers at least three times with property appraisers to ensure that the tax roll review proceeds as required. State law requires DOR to perform this in-depth study on each county's tax roll at least once every two years.

With the enhancement of the state's property tax roll review process, Floridians can have greater confidence than ever before that the burden of property taxes has been fairly, accurately, and uniformly distributed.



For more information:  
**Department of Revenue**  
[www.myflorida.com/dor](http://www.myflorida.com/dor)  
1-850-488-3338